GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6187
ANSWERED ON:06.05.2005
MARKET SHARE OF INSURANCE COMPANIES
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Will the Minister of FINANCE be pleased to state:

(a) whether the market share of private insurance companies is constantly increasing in comparison to public sector insurance companies;

(b) if not, the market share of private insurance companies at the end of financial year 2004-05;

(c) whether the constant fall in business of public sector insurance companies is being recorded; and

(d) if so, the steps being taken by the Government to improve it?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a)&(b): The market share of private insurance companies is increasing after opening up of the insurance sector. During 2004-05, the market share of non life private insurers was 19.65% (provisional) whereas up to February 2005, the share of private life insurers WSLS 22.12% in the total first year premium.

(c)&(d): With the liberalisation of insurance sector and entry of private players, it was expected that the market share of public sector companies would decrease. Accordingly, the share of the public sector insurers has decreased though the companies have recorded an increase in the overall volume of business underwritten by them. The public sector general insurance companies have recorded a business growth of 5.53% in 2004-05. The Life Insurance Corporation of India has recorded a growth of 18.22% in the first year premium up to February,2005. The Public Sector Insurance companies are board run companies and their business performances are monitored by their boards.